

# IDAHO DEPARTMENT OF LANDS



## Timber Sale Bidding Procedures

*The State of Idaho does not warrant the volume, quality or grade of the forest products listed, the accuracy of any estimate of field conditions, construction or harvest costs, or any other pre-bid documents prepared by the State. The purchaser has the opportunity to inspect the forest products and sale area and should rely on their own examination and appraisal of the timber sale offered. The descriptions, volumes, and values prepared by the State are for determining advertised prices only. The forest products are conveyed "as is."*

### BIDDER QUALIFICATIONS

Any person, party, or corporation can bid on a timber sale provided:

- They are at least 18 years of age.
- They are not delinquent with payments on existing state contracts at the time of sale.

### BIDDER RESPONSIBILITIES

1. Day of Sale - Prospective bidders must present a certified check, bank draft, or bid bond payable to TREASURER, STATE OF IDAHO, in the amount of 10% of the estimated net sale value as a bid deposit to be held in a non-interest-bearing account for the life of the contract.

Acceptable bid bond forms include Surety Bid Bond, Cash, and Cashiers or Certified Bank check. Surety bid bonds must be submitted several days prior to the auction date so they can be reviewed for approval. Submit surety bid bonds to:

Idaho Department of Lands  
3780 Industrial Avenue S.  
Coeur d'Alene ID 83815

or fax to: 208-769-1524

The State Board of Land Commissioners reserves the right to reject any and all bids provided that good and sufficient grounds for rejecting the bid shall be stated in the rejection notice and shall not be in violation of applicable law.

2. Within 10 days of the day of sale - The successful bidder will:
  - Pay 10% of the difference between net selling price and net advertised price to be held in a non-interest-bearing account for the life of the sale.
  - Provide cash replacement of surety bid bonds used to purchase the sale.
  - Assign final prices to appropriate species and/or length classes.
3. Within 30 days of the day of sale - The successful bidder will:
  - Provide an acceptable performance bond (surety, letter of credit, certificate of deposit, or cash) in the amount of 15% of the net sale value.
  - Register with the Idaho Secretary of State as a business entity in Idaho if not already registered.
  - Sign contract and provide acceptable insurance

IDAHO DEPARTMENT OF LANDS  
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4. Before Beginning Sale Operations - The successful bidder will provide an acceptable payment bond in the amount of the estimated value of timber to be harvested in the next 90-day operating period, or a cash deposit in an amount equal to the value of the timber to be harvested from a cutting unit.

BIDDING PROCEDURE SAWLOG SALES - MBF

1. Sawlogs (including cedar products and pulp when their removal is mandatory) will be bid on the sale's gross value per MBF
2. Bidding will start at the advertised gross value per thousand board feet. For purposes of bidding, this value will be rounded up to the nearest whole cent.
3. The minimum acceptable bid will be ten cents per MBF.
4. The successful bidder will assign the overbid to the species of their choice (including cedar products and pulp when their removal is mandatory) within 10 days of the sale date. This is subject to the following constraints:
  - The overbid will be apportioned to the various species or products up to a maximum of twice the value of the overbid. Final prices must be rounded to the nearest whole cent. Prices will be assigned once for the life of the contract.
  - Prices must be apportioned so the sum of the price extensions (**PRICE X VOLUME**) equals or exceeds the bid gross sale value.
  - Optional products and species or products with no volumes listed will remain at the advertised prices.
5. The successful bidder may decide, following the auction, to purchase the sale on a per ton bases. One price per ton will be used for all species and required products. The pounds per board foot weight factor generated by the IDL cruise program will be used to generate the price per ton rate in the following way:
  - $[ \text{TOTAL MBF ON SALE} \times (\text{WEIGHT FACTOR} / 2) ] = \text{NUMBER OF TONS}$
  - $\text{BID GROSS SALE VALUE} / \text{NUMBER OF TONS} = \text{PRICE PER TON}^*$

\*Price per ton will be rounded so the final sale value equals or exceeds the bid gross value.

The rate for optional products listed on the Land Board memo will be:

- $[ \text{APPRAISED MBF RATE} / (\text{THE WEIGHT FACTOR} / 2) ]$

All optional products will be sorted and hauled separately or they will be paid for at the sawlog ton rate.

BIDDING PROCEDURE SAWLOG SALES - WEIGHT SALE

1. Sawlogs (including cedar products and pulp when their removal is mandatory) will be bid on the sale's gross value per Ton. One rate for all species.
2. Bidding will start at the advertised gross value per ton rate.
3. The minimum acceptable bid will be five cents per ton.
4. Optional products will be sold lump sum. All optional products will be sorted and hauled separately or they will be paid for at the sawlog ton rate.

BIDDING PROCEDURE CEDAR POLE SALES

1. Poles will be bid on the sale's gross pole value per lineal foot. This value is determined using the following formula:

$$\text{GROSS POLE VALUE} \div \text{TOTAL LINEAL FEET} = \text{GROSS VALUE/LINEAL FOOT}$$

Sawlogs will be bid on the sale's gross value per MBF

2. For purposes of bidding, the advertised gross value per lineal foot on poles and the gross value per MBF on sawlogs will be rounded up to the nearest whole cent.
3. The minimum acceptable bid will be 10¢ per MBF (sawlogs) or 1¢ per lineal foot (poles).
4. When cedar (poles and sawlogs combined) totals 80% or more of the total sale value, bidding will be limited to cedar poles and cedar sawlogs.
5. The successful bidder may elect to remove poles as either poles or sawlogs, and shall declare those intentions at the conclusion of the auction.
6. On pole sales, the successful bidder will assign the lineal foot overbid to the poles within 10 days of the sale date. If a bidder has bid on the sawlogs, the successful bidder will assign the overbid to the biddable sawlogs (including cedar products and pulp when their removal is mandatory) within ten days of the sale date. This is subject to the following constraints:
  - The overbid on poles will be apportioned to the various pole length groups up to a maximum of twice the value of the overbid per lineal foot (i.e. if the overbid is \$0.50 per lineal foot, then the maximum amount that can be applied to any one pole class is \$1.00 per lineal foot).
  - The overbid on poles will be apportioned so that the final lineal foot stumpage rate for any pole length group equals or exceeds the final lineal foot stumpage rate for any shorter pole length group. (i.e., if the overbid allows, the stumpage rate for 55 foot poles must equal or exceed the stumpage rate for 50 foot poles.)
  - Prices must be apportioned so the sum of the price extensions (**PRICE X VOLUME**) equals or exceeds the bid gross sale value.
  - Optional products and species or products with no volumes listed will remain at the advertised prices.

ADDITIONAL INFORMATION

The successful bidder must submit bonding and proof of required insurance in forms acceptable to the State. Bonding and Insurance guidelines can be found on IDL's timber sale website at: <https://apps.idl.idaho.gov/timbersale/>

Additional information regarding timber sales may be obtained from the IDL Area office offering the sale and on the IDL's timber sale website at: <https://apps.idl.idaho.gov/timbersale/>

General information about the Department of Lands including rules and statutes governing the Department can be found at our Department's website at: <http://www.idl.idaho.gov/index.htm>